

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 10, 2013

GA2012-35

Bret Lane, Senior Vice President
Southern California Gas Company
Gas Operations and System Integrity
555 W. Fifth Street, GT21C3
Los Angeles, CA 90013

SUBJECT: General Order 112-E Comprehensive Operation and Maintenance Audit of San Diego Gas & Electric Company's Transmission and Distribution facilities.

Dear Mr. Lane:

The staff of Safety and Enforcement Division (SED), formerly called the Consumer Protection and Safety Division, of the California Public Utilities Commission conducted a General Order 112-E Comprehensive Operation and Maintenance audit of San Diego Gas & Electric (SDG&E) Company's Transmission and Distribution facilities on November 13-16, 2012. SED reviewed SDG&E's operation and maintenance records for the period of September 1, 2011 through November 16, 2012, and conducted field inspections of various gas operation and maintenance related activities in SDG&E's North East, North Coast and Beach Cities Districts. SED also reviewed SDG&E's operator qualification records, which included field observations of randomly selected individuals performing Pressure Limiting and Regulation covered tasks.

SED staff noted two probable violations of Title 49 Code of Regulations (49 CFR), Part 192. Please review the attached document "SDG&E Transmission and Distribution O&M Audit Findings Summary" (Summary), which contains the findings of SED staff.

Please provide a written response within 30 days of your receipt of this letter indicating measures taken by SDG&E to address the probable violations noted. SED will notify SDG&E of the enforcement actions it plans to take in regard to each of the violations found during the audit, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review SDG&E's response to the findings included in the Summary.

If you have any questions, please call Matthewson Epuna at (213) 576-7014.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Robertson'.

Michael Robertson, Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Joel Tran, SED
Adriana Crasnean, SED

SDG&E Transmission & Distribution Audit Findings Summary

November 13-16, 2012

A. Reference Title 49, Code of Federal Regulations (CFR) §192.465 (a)

Title 49 CFR § 192.465 External corrosion control: Monitoring states:

“(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis.....”

SDG&E has been performing special GIS trace exercises of its cathodic protection system and validation of its pipeline maps. During this trace and validation exercise, SDG&E noted six sections of “Stranded Steel pipeline” that were isolated from its cathodically protected pipeline system (see Isolated Segments of Steel Pipeline Table). SDG&E created these Stranded Steel pipelines when it replaced segments of its cathodically protected steel mains and service pipelines with Polyethylene (PE) pipes, which resulted in the isolation of the short segments of steel pipelines within a network of PE distribution mains and service pipelines. SDG&E installed these PE pipeline segments between 1975 and 1997.

SDG&E cathodically protected some of these isolated steel segments with magnesium anodes. However, SDG&E did not include these isolated steel segments in its cathodic protection pipe-to-soil inspection cycles it conducts annually. Therefore, SDG&E is in violation of G.O 112-E, Reference Title 49 CFR §192.465(a).

B. Reference Title 49, Code of Federal Regulations CFR §192.723(b) (2)

Title 49 CFR § 192.723 Distribution systems: Leakage surveys states:

“(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.”

SDG&E noted during its special GIS trace exercise that it did not cathodically protect four of the six Stranded Steel pipelines when it installed the PE pipes. These isolated steel pipeline segments are located outside of a business district and are required to be leak surveyed at least once every three calendar years at intervals not exceeding 39 months. SDG&E did not leak survey these pipeline segments as required. Therefore, SDG&E is in violation of G.O 112-E, Reference Title 49 CFR Part 192, §192.723(b) (2).

Location	Installation Date	Replacement Date	CP
Glen Ridge Rd, Escon	1958		Yes
Lightwave Ave & Ruffin Rd, KM	1963	1983	No
Camino De Reina & Camino De La Siesta, SD	1966	1997	No
Camino De Reina & Camino De La Siesta, SD	1966	1990	No
Eagle St & University Ave, SD	1962	1975	No
1 st Ave & Broadway, SD		1992	Yes

Isolated Segments of Steel Pipeline Table